REMARKS

In accordance with the foregoing, claims 1, 4, 7, and 13 are amended. No new matter is added. Claims 2, 3, 8, and 9 are cancelled without prejudice. Claims 1, 4-7, and 10-13 are pending and under consideration.

CLAIM REJECTIONS UNDER 35 U.S.C. §103

In the outstanding Office Action, claims 1-13 are rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over U.S. Patent Application Publication No. 2004/0208608 to Tager et al. (hereinafter "Tager"), in view of U.S. Patent No. 6,931,176 to Kelly ("Kelly") and *Optical Networks: A Practical Perspective, 2nd Edition* by Ramaswami et al. ("Ramaswami").

Independent claim 1 is amended herewith to specify that "said additional compensation amount is from 5 to 20 percent of a total dispersion amount occurred in the divisional repeating intervals on the terminal apparatus side for transmission" and "a ratio of the additional compensation amount at the second dispersion compensation step to the sum of the dispersion compensation amounts at the first and second dispersion compensation steps being set so as to gradually increase with the transmission distance between said terminal apparatus for transmission and a corresponding one of said repeating apparatuses." The claim amendments are supported by the originally filed specification, for example, FIG. 9 and page 37, lines 6-18 of the originally filed specification. No new matter is added.

The cited prior art reference, alone or in combination fail to disclose at least the amended features of claim 1.

Tager discloses dispersion compensation measures (DCMs) 113A-113E in FIG. 2B that are section band pre- and post-compensators (see paragraph [0031] of Tager) applied to a dispersion section between nodes. Further Tager discloses an exact compensation scheme (FIG. 3), an under-compensation scheme (FIG. 4), and a sectionalized dispersion compensation scheme (FIG. 5).

Kelly discloses apparatuses and methods for chromatic dispersion compensation of wavelength division multiplexed (WDM) optical signals within an optical add/drop multiplexer (OADM) (see Kelly's Abstract, claims).

Ramaswami discloses three OADM architectures in FIG. 7.5 and compares their features in Table 7.1.

However, Tager, Kelly and Ramaswami, alone or in combination do not render obvious the second dispersion compensation step as recited in amended claim 1. At least for this reason, amended independent claim 1 and claims 4-6 depending from claim 1 are patentable.

Independent claim 7 is amended herewith to recite similar additional features as amended claim 1. Amended independent claim 7 and claims 10-12 depending from claim 7 patentably distinguish over the cited prior art references at least because the following feature of claim 7 is not rendered obvious by the prior art:

> a second dispersion compensation section performing a dispersion compensation with an additional compensation amount to the compensation amount of said first dispersion compensation section for the wavelength multiplexed optical signal for which the optical add/drop multiplexing has been performed by said optical add/drop multiplexing section , said additional compensation amount is from 5 to 20 percent of a total dispersion amount occurred in the divisional repeating intervals on the terminal apparatus side for transmission, wherein said second dispersion compensation section sets the additional compensation amount so that a ratio of the additional compensation amount to a sum of the dispersion compensation amounts of said first and second dispersion compensation sections gradually increases with a transmission distance between said terminal apparatus for transmission and said repeating apparatus.

Amended independent claim 13, which is amended to recite features similar to amended claim 1, patentably distinguishes over the cited prior art at least by reciting:

> wherein said additional compensation amount is from 5 to 20 percent of a total dispersion amount occurred in the divisional repeating intervals on the terminal apparatus side for transmission; and
>
> a ratio of the additional compensation amount to a sum of dispersion compensation amounts at the first and second dispersion compensation steps gradually increasing with a transmission distance between said terminal apparatus for transmission and a corresponding one of said repeating apparatuses.

CONCLUSION

There being no further outstanding objections or rejections, it is submitted that the application is in condition for allowance. An early action to that effect is courteously solicited.

Finally, if there are any formal matters remaining after this response, the Examiner is requested to telephone the undersigned to attend to these matters.

If there are any additional fees associated with filing of this Amendment, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,

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Date: Sept. 16, 2008

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